

REMARKS

This Amendment is responsive to the non-final Office Action mailed on May 29, 2007 (the “Office Action” hereinafter). The undersigned attorney thanks Examiner Champagne for her participation in the telephonic interview held on September 7, 2007 concerning the pending claims. Although agreement was not reached, applicant’s attorney was encouraged by statements made during the conference and has endeavored to advance prosecution of the application by submitting changes to the claims that were proposed.

Prior to entry of the present amendment, the status of the claims was as follows:

- Claims **1-36 and 38-54** were pending;
- Claims **3, 8, 10-12 and 40-54** were withdrawn from consideration; and
- Claims **1, 2, 4-7, 9, 13-36, 38 and 39** were rejected.

After entry of the present amendment, the status of the claims will be as follows:

- Claims **1, 38 and 39** have been amended;
- Claims **3, 8, 11, 22 and 40-54** have been cancelled herein (claim **37** was cancelled previously);
- Claim **10** has been withdrawn from consideration;
- Claims **1, 2, 4-7, 9, 10, 13-36, 38 and 39** are pending; and
- Claims **1, 33, 38 and 39** are the only independent claims.

In view of the above amendments and the following remarks, Applicants respectfully request reconsideration and allowance of all of the pending claims.

1. The Restriction Requirement

The species restriction requirement was deemed final by the Examiner in the Office Action. Consequently, the applicants have cancelled most of the Group II claims **3, 8, 11, 12 and 40-54** herein (except for claim **10**, for the reason discussed below). Applicants hereby reserve the right to file a divisional patent application at any time during the pendency of this case that includes these claims, wherein such divisional application is entitled to the priority of the present application.

Applicants respectfully request withdrawal of the species restriction requirement with regard to claim **10**, because it is believed that claim **10** should have been grouped with the Group I claims. In particular, claim **10** depends upon claim **1** and limits the security deposit to payment in an alternate currency. Accordingly, Applicants respectfully submit that claim **10** should not have been included with the Group II claims.

2. The 35 U.S.C. §103(a) Rejections

Claims **1**, **33**, **36** and **38** were rejected for being unpatentable over a Columbia House reference that was apparently obtained from an internet archive website (<http://web.archive.org/web/19961224105735/www.columbiahouse.com>) (hereinafter “Columbia House”) in view of Bradt et al., U.S. Patent No. 4,839,505 (hereinafter “Bradt”).

Claims **1** and **38** have been amended. In particular, claim **1** now recites:

*arranging, **by a merchant**, for a benefit to be applied to the transaction... the benefit comprising a subsidy and the task being associated with **a subsidy provider other than the merchant**, and wherein the benefit is applied to the transaction before the performance of the task by the customer;* (Emphasis added)

Similarly, method claim **38** now recites:

*based on the received indication, transmitting to the customer via a processing device an offer to apply a benefit, provided by **a subsidy provider other than the merchant**, to a purchase of the item in exchange for a future performance of a task by the customer;* (Emphasis added)

Independent claims **1** and **38** thus now clearly recite a process that includes three parties: a customer, a merchant and a subsidy provider other than the merchant. In addition, independent claims **33** and **36** both recite arranging for a benefit to be applied to the transaction in exchange for a future performance of a task by the customer, wherein the task is associated with **a party other than the merchant**.

In contrast, the Columbia House reference describes a common subscription scheme wherein the merchant (Columbia House) offers to “give” new subscribers 11 CD’s or cassettes “free” if they join a “club” that requires purchase of at least 6 CD’s or cassettes during the upcoming three years. The additional 6 CD’s or cassettes that the new subscribers are required to buy are typically priced at higher “club” prices as compared to prices that could be found elsewhere (such as online or in a retail store). In such a scheme, the merchant subsidizes the initial purchase and provides the items that are subsequently purchased. Thus, the Columbia House reference teaches a subscription scheme that involves only two parties, a merchant and a customer. Furthermore, as admitted on page 3 of the Office Action, Columbia House fails to suggest or teach a method of arranging for the customer to provide a security deposit, arranging for the security deposit to be returned to the customer based on the performance of a task, receiving an indication a customer is interested in purchasing an item from a merchant, receiving a payment identifier from the customer, and verifying the performance of the task by the customer.

Bradt pertains to a videocassette vending machine, and was cited because it describes holding the customer’s credit card number (considered to be a security deposit) to ensure that a customer returns a videocassette tape to the machine. The customer’s credit card number is not charged if a rented videocassette is returned within a predetermined time period from the date of rental. However, Bradt does not teach or suggest arranging for a customer to receive a benefit applied to the transaction in exchange for the future performance of a task by the customer, wherein the task is associated with **a subsidy provider different than the merchant**. Each transaction in Bradt is between two entities: the customer and the entity that owns the vending machine. Thus, Bradt does not cure the deficiency of Columbia House, which also teaches a transaction process that involves only two parties.

Accordingly, applicants respectfully submit that neither Columbia House nor Bradt, either alone or in combination, teaches or suggests the methods generally recited by present claims **1, 33, 36 and 38**, wherein a merchant arranges for a benefit to be applied to the transaction in exchange for a future performance of a task by the customer, the benefit comprising a subsidy and the task being associated with a subsidy provider (or

party) other than the merchant. Thus, since these pending independent claims require three parties: the merchant, the customer and ***a party other than the merchant***, we respectfully assert that claims **1, 33, 36 and 38** are patentably distinct over the cited Columbia House and Bradt references. In addition, since claims **2, 4-7, 9, 10, 13-32, 34 and 35** either directly or indirectly depend on either of claims **1 or 33**, these dependent claims should be allowable for at least the same reasons.

In view of the above amendments and remarks, the Applicants respectfully request withdrawal of the 35 U.S.C. 103(a) rejections and allowance of the pending claims.

The prior art made of record but not relied upon to reject any claim has not been discussed herein as none of such references have been applied to any of the pending claims.

3. Authorization to Charge Appropriate Fees

Applicants hereby petition for a one-month extension of time to respond, and authorize the Commissioner to charge the surcharge fee to our Deposit Account No. 50-0271. We do not believe that any other fees are due, but if any additional extension of time is required, please grant a petition for such an extension to make this Amendment and Response timely. If necessary, please charge any such additional fees, and please credit any overpayment, to the same Deposit Account No. 50-0271.

4. Conclusion

In view of the above amendments and remarks, the applicants respectfully submit that all of the pending claims are in condition for allowance. Thus, the Examiner's early re-examination and reconsideration are respectfully requested.

If the Examiner has any questions regarding this amendment or the present application, or has any suggestions for expediting the allowance of the present application, the Examiner is cordially requested to contact Stephan Filipek at telephone number (203) 461-7252 or via electronic mail at sfilipek@walkerdigital.com.

Respectfully submitted,

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Date

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